

**INVESTIGATING THE ANTECEDENT AND MODERATING
FACTORS TOWARDS PURCHASE INTENTION AND WILLINGNESS
TO PAY MORE FOR LIMITED EDITION LUXURY BRANDS**

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INVESTIGATING THE ANTECEDENT AND MODERATING FACTORS TOWARDS PURCHASE INTENTION AND WILLINGNESS TO PAY MORE FOR LIMITED EDITION LUXURY BRANDS

ABSTRACT

Purpose

This study investigates the antecedent “perceived” variables that lead to a determined perception of value, and the resulting intention to purchase and/or willingness to pay more for a limited edition luxury offering. Furthermore, it is investigated whether status-seeking desire within a consumer moderates the relationship between perceived value to purchase intention, and perceived value to willingness to pay more for the limited edition luxury offering.

Design

Two self-administered questionnaires were designed by adapting developed scales from similar prior research. Each questionnaire was designed around a stimulus, a fake limited edition watch (“Touché”), which respondents were told were from Mercedes Benz or Tag Heuer, respectively. The survey was utilised within a field study, yielding 534 valid responses from the Mercedes Benz set and 481 usable responses from the Tag Heuer data set. Each data set was analysed separately and tested against the respective hypotheses separately in a comparison study.

Findings

The study finds that perceptions of scarcity, uniqueness and quality are all significant in determining a perception of value for a limited edition offering. Perceived value does lead to an intention to purchase and a willingness to pay more, however status seeking only significantly moderates the respondents willingness to pay more for a limited edition luxury brand. The Tag Heuer data set reported the insignificant role of status seeking desire as a moderator over perceived value to purchase intention, whilst it was significant within the Mercedes Benz study.

Implications

The insignificance of the role of status seeking as a moderator within the Tag Heuer data set, whilst being significant in the case of Mercedes Benz, implies that limited editions will be more successful the further they are away from their prototypical schema of product offerings. It is proposed that a limited edition Mercedes Benz watch will carry a higher perception of uniqueness and scarcity, than a Tag Heuer produced watch, because Tag Heuer is known for producing watches whilst Mercedes Benz offering a watch is more ‘rare’.

Limitations

The findings of this study are restricted to luxury offerings and limited edition releases of luxury brands, and are not extendable to lower-status offerings.

Originality

Research into limited editions of luxury brands is only a relatively new field of research. Similarly, the role of perceptions and perceived value is a narrow field with more room for growth. The research into willingness to pay more is predominantly focussed on economic literature and modelling. This is the first study to pull all three together in a marketing context.

BACKGROUND TO LUXURY BRANDS

Consumption of luxury brands is vastly growing, with the estimated global market size for luxury branded goods today standing between 330 to 380 million consumers (D'Arpizio 2014; Zargani 2014) who spend an estimated US\$998.5 billion (Zargani 2014). By the end of the decade, it is estimated that the market size will be around 440 million consumers, worth US\$1.2 trillion (Zargani 2014), and by 2030, there could be as many as 500 million consumers in the luxury market (D'arpizio 2014). Hence, it can be seen that this vastly changing market structure has significant implications for marketing managers (Shu-pei 2005).

The objectives of this study are threefold. Firstly to investigate what the antecedent perceptions are that form determination of perceived value. By bringing together research into scarcity, need for uniqueness, and perceived quality – which all alter how consumers perceive products (eg. Hwang, et al 2013, Loureiro & Araújo 2014, Brehm 1966) – we may gain a better understanding of how consumers form value perceptions of luxury offerings. Secondly, to see how this value perception is manifested in either intention to purchase, or willingness to pay more, again building on recent work done by that of Hwang, et al (2013) and Loureiro & Araújo (2014). Thirdly, to examine the role of status seeking in the aforementioned purchasing behaviour. Self perception (Kirmani 2009) and status seeking behaviour (Kuksov & Xie 2012) research has shown an ability to enhance desire to purchase luxury goods, and this study seeks to test its ability to act as a moderator of purchasing behaviour.

The paper is structured as follows. Firstly, there is a brief review of the relevant literature pertaining to this research area. This then leads into the theoretical underpinnings for the study, along with the developed hypothesis for research. Following this is the outline of the research methods employed within the study. The paper then concludes with the analysis and discussion of the studies findings. Implications and limitations of the study have been also outlined.

RELEVANT LITERATURE

Luxury Brands

Luxury brands are those found the extreme end of the spectrum of prestigious brands, and are purchased to portray a certain image or status (Zeithaml 1988; Vigneron & Johnson 1999; Phau & Prendergast 2000; Shu-pei 2005; Kapferer 2012). Hence, consumers are motivated to purchase luxury brands due to this conspicuous nature (Godey et. al 2011). Luxury brands evoke exclusivity, as they are built on a well-known brand entity, have high brand awareness, a high perception of quality, and maintain a high retentiveness of their customer base (Phau & Prendergast 2000, 123).

Perceptions of luxury brands differ between consumers (Wiedmann, Hennigs & Siebels 2009), and the motivations to purchase might also differ between cultures (Bian & Forsythe 2012). However, though perceptions may vary, the desire to consume luxury brands does not differ between cultures. The desire within consumers to increase perceptions of individuality and social standing is global, a psychological state that can be found in any given consumer (Nueno & Quelch 1998; Vigneron & Johnson 2004).

Perceptions play a critical role in consumer behaviour and determination of value. Studies by Hwang, et al (2013) and Loureiro & Araújo (2014) suggest that there are certain psychological factors that can trigger a consumers' willingness to pay more. Furthermore, there has been a range of research done to show there an apparent number psychological antecedents that will drive a determination of value, which in turn will lead to a greater willingness to pay more (Clee & Wicklund 1980; Lynn 1989; Braun & Wicklund 1989; Lynn 1991; Verhallen & Robben 1995; He, et. al 2010; Hung, et al 2011; Wu, et. al. 2012).

Whilst there are many groups of luxury consumers who are all driven by different motivators (Vigneron & Johnson 1999), it is of particular interest to this study to examine the desire within consumers for status, which can be manifested in a number of ways. Conspicuous consumption, the phenomena whereby luxury consumption increases in relation to income, is valuable theory when it comes to highlighting consumers need for uniqueness or status signalling behaviour (eg. Braun & Wicklund

1989; Bagwell & Bernheim 1996; Corneo & Jeanne 1997). However, it does not explain the increase in consumer motivation to purchase – and pay more for – a given luxury offering, which is the purpose of this research.

Limited Editions

Within this study, a particular type of status good will be studied, being limited editions. As has been discussed, a genuine luxury brand will naturally bring with it a sense of exclusivity and are naturally scarce, due to being towards the higher end of the prestige goods market. However, there are some cases where scarcity is manipulated even further, through the usage of a limited edition label (Cartry 2003).

There are various examples that can be thought of in relation to how limited editions are used in the market. Cartry (2003) discusses how a limited edition Louis Vuitton bag was so successful, consumers would check daily to see if it was being re-issued, whilst Balachander and Stock (2009) discuss how various piano companies have utilised limited edition products, often in conjunction with artists, to great effect. Similarly, phrases such as “one time offer” or “while stocks last” are utilised within advertising campaigns to give the illusion of scarcity (Gierl and Huettl 2010; He, et. al 2010).

Balachander and Stock (2009) also showed how the nature of a product was important when offering a limited edition, with research showing sales are improved when a high end product offered a limited edition, but lower end products suffered decreases in sales when limited editions were introduced for that particular product. Similar studies utilising game theory have also shown how limited editions can be beneficial to improving profit margins (Amaldoss & Jain 2010).

Whilst the limited edition phenomena is well established empirically (Cartry 2003; Balachander & Stock 2009; Gierl and Huettl 2010; He, et. al 2010) it appears very little has been done to show just how the usage of “Limited Edition” influences consumer perceptions towards a brand. Lynn (1989) and Stock and Balachander (2005) both discuss how assumed scarcity can act as a strong stimulant for value

determination, however outside of this there has been very little research to show exactly how scarcity influences consumer behaviour.

THEORETICAL UNDERPINNINGS & HYPOTHESIS DEVELOPMENT

Theory of Psychological Reactance

Brehm's Theory of Psychological reactance (1966) is the critical theoretical basis for this study. "Reactance" is defined as being "the motivational state of the person whose freedom is threatened" (Clee & Wicklund 1980). The theory dictates that individuals will enter a state of high motivation when a perceived freedom is threatened (Brehm 1966; Clee & Wicklund 1980; Braun & Wicklund 1989; Verhallen & Robben 1995).

Within the context of the study, it is proposed that a "Limited Edition" release will induce a reactance-state within a consumer that will motivate them to a higher willingness to pay more for a limited edition offering. Particular note is taken of the findings of Lynn (1989) that the motivational state is induced only when it is perceived to be limited and/or expensive, without actually knowing the specific price or quantity.

Related to the Theory of Psychological Reactance is the effect of scarcity on consumer decision making. This study investigates what is known as "The Scarcity Heuristic", which is where scarcity triggers extreme perceptions, or extreme responses within a consumer who has a strong desire for an offering (Verhallen & Robben 1995). This research is built on this principle, testing the effect of a limited edition luxury brand on a willingness to pay more.

Perceived Scarcity

Of interest to this study is a phenomena known as the "Scarcity Heuristic". The "Scarcity Heuristic" "...does not simply lead to more positive evaluations; it leads to extreme evaluations... [the] evaluation will be more positive if the object of evaluation is positive or desirable" (Verhallen & Robben 1995, 376, quoting Ditto & Jemmott 1989). Research has consistently shown that restrictions placed on freedom

causes 'reactance', which makes offerings more appealing (Brehm 1966; Brehm et. al 1966).

Both Verhallen (1982) and Lynn (1989) conclude scarcity increases perceived value of an offering, Verhallen and Robben (1995) together found that scarcity, through market factors, has a strong impact on the perceived desirability of an offering. In turn, this may lead to consumers preferring an offering that appears scarce, over another previously preferred offering. Further to the work of Verhallen and Robben (1995), Hwang, et al (2013) hypothesised that consumers with a high chronic desire for rarity show decreased signs of the negative effect of price on purchase intention when faced with a (manipulated) rare offering.

Within this study, this phenomena was induced by using the label of "Limited Edition". The usage of the "limited edition" label is used to induce a perception of rarity or exclusivity that may or may not be true (He, et. al. 2010). With the aforementioned literature as context, the following hypothesis was proposed:

***H1:** Consumers with a higher evaluation of perceived scarcity will lead to a higher evaluation of perceived value of limited editions of luxury brands.*

Perceived Uniqueness

Certain consumers can possess a strong desire to be seen as unique from their peers, and therefore aim to differentiate themselves through material purchases (Belk 1988, Snyder & Fromkin 1997, Aaker 1999, Muniz & O'Guinn 2001, Kirmani 2009). Consumer uniqueness theory is largely founded in the work done by Snyder and Fromkin (1997). Their theory proposes that these kinds of consumers largely tend to reject high levels of similarity to those around them, with a strong desire to differentiate themselves through adopting a different image or different behaviour (Kapferer 2012). This is typically done through material purchases that are rare and unique (Tian, Bearden and Hunter 2001; Snyder and Fromkin 1977) as this carries low social risk than other behavioural changes (Snyder 1992; Tian & McKenzie 2001).

Consumers can utilise brand identities to change their own identity perception (Muniz & O’Guinn 2001; Kirmani 2009). These consumers desire to adopt a different image (Kapferer 2012), which they strive to achieve through material purchases of possessions that are unique (Snyder and Fromkin 1997; Tian, Bearden and Hunter 2001; Kirmani 2009; Bian and Forsythe 2011). As such, it was hypothesised:

H2: Consumers with a higher evaluation of perceived uniqueness will lead to a higher evaluation of perceived value of limited editions of luxury brands.

Perceived Quality

Vigneron & Johnson (2004, 488) state that perceived quality, alongside a perception of uniqueness and conspicuousness, derived pleasure and the extended self are all key factors in the identity of a luxury brand. It is based off this schema of variables that consumes who seek luxury make purchasing decisions (Wiedmann, Hennings & Siebels 2009, 628).

A perception of quality may come as a construct of brand familiarity, or due to a perception that a particular brand is a market leader (Quintal & Phau 2013). At other times, price may be a signal of quality, though this is often as a result of scarcity perceptions as manipulated by the marketer (Stock & Balachander 2005, Miyazaki, Grewal & Goodstein 2005). Therefore as an antecedent to perceived value, the following hypothesis is presented:

H3: Consumers with a higher evaluation of perceived quality will lead to a higher evaluation of perceived value of limited editions of luxury brands.

Purchase Intention and Willingness to Pay More

A review of literature designed to test, explain, or model increased motivation to pay more for goods shows that nearly all the proposed explanations focus on “Fast Moving Consumer Goods” (FMCG’s) (Lessne & Notarantonio 1988; Sweeney, Soutar & Johnson 1999; Chezy Ofir 2004; Sigurdsson, Larsen & Gunnarsson 2011). It is unsurprising that such research has proven to be inconclusive, given research that clearly suggests that there is little or no discernible difference in purchasing behaviour for such goods (Simonson 1999, Ahmetoglu, Furnham & Fagan 2014).

However, limited research has examined status goods as a test stimulant. It is only recently that research has seriously begun into luxury brands being a possible anomaly to traditional economic theory, with status goods being the focus of the study (Li, Li & Kambele 2011; Hwang, et al 2013; Loureiro & Araújo 2014).

H4a: Consumers with a higher evaluation of perceived value will lead to a higher purchase intention of limited editions of luxury brands.

H4b: Consumers with a higher evaluation of perceived value will lead to a higher willingness to pay more for limited editions of luxury brands.

Moderating Relationship

Consumers' perception of self-identity can play a crucial role in the decision making process of that consumer. Kirmani (2009) discusses how identity not only influences consumption, but consumption also has an influence over identity, citing Belk's (1988) statement "We are what we have". Consumers therefore use brands to create identities, or seek to be defined by their status as a member of a particular brand community, and this transcends financial means (Muniz & O'Guinn 2001; Kirmani 2009).

What is of particular interest to this study is the psychological state wherein consumers actively seek status. There are a variety of different models which segment consumer behaviour (eg Veblen 1899; Stock and Balachander 2005; Han, Nunes and Drèze 2010) However all these models follow a common thread, being the extent to which consumers will be motivated by status offerings. The extent to which a consumer is motivated will determine the perception, and therefore behaviour, of those consumers purchasing tendencies.

This research investigates the moderating role of status seeking consumption (Kuksov & Xie 2012) on the relationship between perceived value and purchase intention and willingness to pay more for the limited editions of luxury brands. As such, in line with the relevant literature, the following hypotheses are presented:

H5a: The greater the extent to which consumers seek status, the more positively it will moderate the relationship between perceived value and purchase intention of limited editions of luxury brands

H5b: The greater the extent to which consumers seek status, the more positively it will moderate the relationship between perceived value and willingness to pay more for limited editions of luxury brands

CONCEPTUAL FRAMEWORK

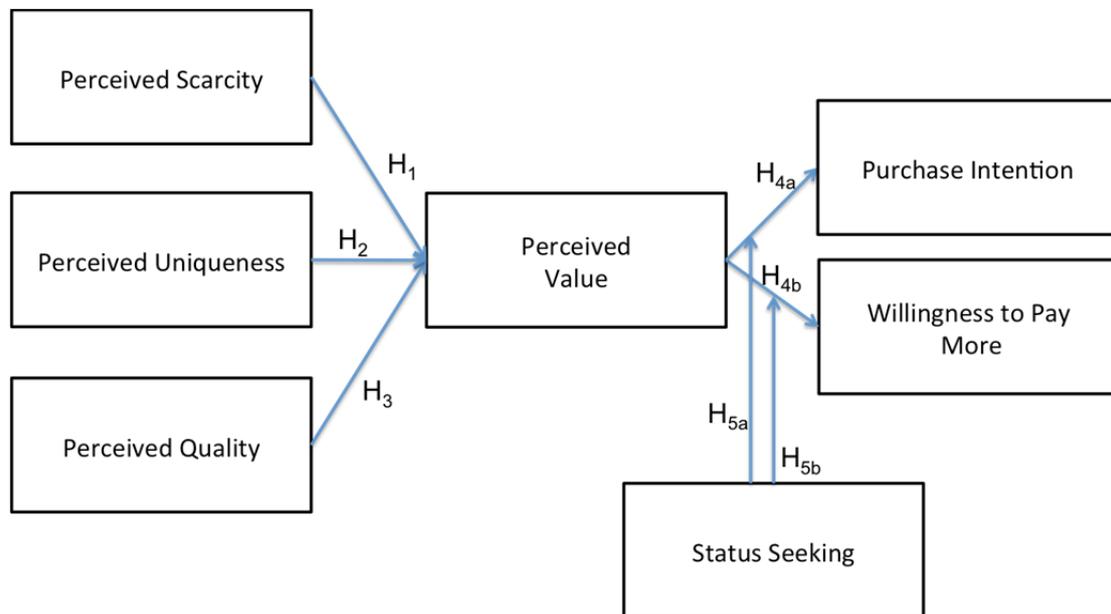


Image 1: Conceptual Framework

The conceptual framework presents three antecedent variables – Perceived Scarcity, Perceived Uniqueness, and Perceived Quality – which are hypothesised in H₁, H₂ and H₃ to have a positive influence on Perceived Value. Next, the framework models the possible responses from a determined perception of value, either a purchase intention or a willingness to pay more, which are reflected in H_{4a} and H_{4b} respectively. Finally, each of these relationships are moderated by a desire to seek status, as tested in H_{5a} and H_{5b}, respectively.

RESEARCH DESIGN

A questionnaire was designed and utilised as the instrument for data collection. The research was based on two stages of stimulus: in the first instance the introduction of a known luxury brand, and secondly the introduction of a fictitious ‘limited edition’ product which was alleged to be released in the coming year. The product chosen to be a limited edition release was a watch, which was given the fictitious brand name “Touché”.

There were four sections to the questionnaire, and a demographical section. Each element of the questionnaire was based off an existing scale, adapted from similar prior research. Scales were adapted predominantly from the research done by Wu, et al (2012), with the other scales being adapted from Eastman, et al (2007) for status seeking items and Kleiser and Mantel (1994) for the items relating to brand knowledge. Each section, apart from the demographical portion, asked respondents to respond to statements on a 7-point Likert scale.

Brand Selection

Tag Heuer and Mercedes Benz were the luxury brands selected to be utilised within the study. Tag Heuer and Mercedes Benz are both extremely recognisable global brands with high perceptions of luxury, and the two companies each carry some of the most valuable brand entities in the global market. As such, both were ideally placed to be utilised within such a study, Tag Heuer being a luxury watch producer, and Mercedes Benz being selected with the intention that their luxury identity would carry over into a brand extension, which they have previously done before. Together, these two entities will provide the desired luxury stimulus for the respondents to successfully create the context of the study.

PRE-TESTING

A drafted version of both surveys were tested on 77 individuals. Both questionnaires were answered relatively evenly between the individuals. The questionnaires were also reviewed again at a later date by the researchers, and there was a correction made in one of the stimulus sections – Section C – to be in line with research conducted by Lynn (1989) which noted that reactance was induced to a far higher level of

significance when the quantity restriction is implied, and the actual price is unknown. Knowing the price of a good can, in some circumstances, negate the effect of scarcity (Lynn 1989). It was desired to avoid this scenario in the research conducted in the case of these questionnaires.

DATA COLLECTION

A field study was conducted utilising the research instrument that had been designed. Over a period of a week, the data was collected via self-administered surveys, handed out by research assistants. It was ensured that no one respondent answered more than one survey. Additionally, the two different surveys were distributed evenly as to ensure no significant bias towards one version or another.

Sampling

The data collection was conducted utilising a convenience sampling method conducted by research assistants in a field study. Although convenience sampling is never the ideal method when it comes to data collection, given issues with data reliability and the generalisation of resulting analysis, it was utilised given the time and financial constraints on the researcher.

ANALYSIS AND DISCUSSION

The respondents to each data set (the Mercedes Benz set and Tag Heuer set) were asked a number of demographical questions, such as their gender, age, annual income (in USD) and their country of residence.

For the Mercedes Benz study, there were 534 valid responses. Of those, 277 (51.9%) were males, and 257 (48.1%) were females. A total of 80.3% of the responses were aged 34 or under, with a majority 57.5% of respondents falling into the 21-34 age bracket. 59% of the respondents stated that their income was less than US\$14,999. Finally, of the respondents, the three main countries of residence were Malaysia (35.4%), Mauritius (31.3%) and Singapore (14.6%).

In the Tag Heuer study, there were 481 valid responses. Of those, 269 (55.9%) were males, and 212 (44.1%) were females. A cumulative total of 79.4% of the responses

were aged 34 or under, with a majority 57.0% of respondents falling into the 21-34 age bracket. 53.6% of the respondents stated that their income was less than US\$14,999. Finally, of the respondents, the three main countries of residence were Malaysia (38%), Singapore (26.6%), and Mauritius (20.4%).

Hypothesis 1, 2 and 3.

Multiple regression analysis was conducted to test the hypothesised relationships in H1, H2, and H3. Analysis of the data showed that Perceived Scarcity (PS), Perceived Uniqueness (PU), and Perceived Quality (PQ) all have a significant positive relationship with Perceived Value (PV). This was consistent across both data sets, as can be seen in Table 1.

Table 1

| Stimulus | Relationship | Coefficients | Std. Error | β | t-value | Sig |
|-----------------|---------------------|---------------------|-------------------|---------------------------|----------------|------------|
| Mercedes | PS to PV | .158 | .040 | .153 | 3.944 | .000 |
| | PU to PV | .356 | .034 | .403 | 10.416 | .000 |
| | PQ to PV | .322 | .045 | .287 | 7.240 | .000 |
| Tag Heuer | PS to PV | .253 | .059 | .189 | 4.280 | .000 |
| | PU to PV | .249 | .037 | .291 | 6.754 | .000 |
| | PQ to PV | .269 | .047 | .261 | 5.762 | .000 |

(Mercedes Benz Adj R² 0.511, sig 0.000; Tag Heuer Adj. R² 0.356, sig 0.000)

Regression - Hypothesis 4a & 4b

Following on the conceptual framework, the analysed data also shows the significant positive relationships between Perceived Value (PV) to Purchase Intention (PI) and Willingness to Pay More (WTPM). This test was done, in line with Hypothesis 4a and 4b. The results were significant across both data sets, as can be seen in Table 2.

Table 2

| Stimulus | Relationship | R | R ² | Coefficients | Std. Error | β | t-value | Sig |
|-----------|--------------|-------|----------------|--------------|------------|---------|---------|-------|
| Mercedes | PV to PI | 0.722 | 0.522 | 0.812 | 0.034 | 0.722 | 24.088 | 0.000 |
| | PV to WTPM | 0.645 | 0.416 | 0.788 | 0.040 | 0.645 | 19.477 | 0.000 |
| Tag Heuer | PV to PI | 0.660 | 0.435 | 0.792 | 0.041 | 0.660 | 19.211 | 0.000 |
| | PV to WTPM | 0.557 | 0.310 | 0.710 | 0.048 | 0.557 | 14.680 | 0.000 |

Moderation Analysis - Hypothesis 5a & 5b

The moderating role of Status Seeking (SS) over the relationship between PV to PI and WTPM respectively was also analysed within the data and was inconsistent between the two data sets. This reflected Hypothesis 5a and 5b. Status Seeking was consistently a significantly positive moderator to PI ($sig = 0.00$, $\Delta R^2 = 0.013$) and WTPM ($sig = 0.00$, $\Delta R^2 = 0.026$) in the Mercedes Benz data set, but was only significant for WTPM for Tag Heuer ($sig = 0.012$, $\Delta R^2 = 0.008$). It was not statistically significant as a moderator for PV to PI in the Tag Heuer data set ($sig = 0.125$).

Review of Hypotheses

Table 3

| Hypotheses | Result: Mercedes Benz | Result: Tag Heuer |
|---|-----------------------|-------------------|
| H1: Consumers with a higher evaluation of perceived scarcity will lead to a higher evaluation of perceived value of limited editions of luxury brands. | <i>Accepted</i> | <i>Accepted</i> |
| H2: Consumers with a higher evaluation of perceived uniqueness | <i>Accepted</i> | <i>Accepted</i> |

| | | |
|--|-----------------|--|
| will lead to a higher evaluation of perceived value of limited editions of luxury brands. | | |
| H3: Consumers with a higher evaluation of perceived quality will lead to a higher evaluation of perceived value of limited editions of luxury brands. | <i>Accepted</i> | <i>Accepted</i> |
| H4a: Consumers with a higher evaluation of perceived value will lead to a higher purchase intention of limited editions of luxury brands. | <i>Accepted</i> | <i>Accepted</i> |
| H4b: Consumers with a higher evaluation of perceived value will lead to a higher willingness to pay more for limited editions of luxury brands. | <i>Accepted</i> | <i>Accepted</i> |
| H5a: The greater the extent to which consumers seek status, the more positively it will moderate the relationship between perceived value and purchase intention of limited editions of luxury brands | <i>Accepted</i> | <i>Rejected</i> <i>(Sig >0.05)</i> |
| H5b: The greater the extent to which consumers seek status, the more positively it will moderate the relationship between perceived value and willingness to pay more for limited editions of luxury brands | <i>Accepted</i> | <i>Accepted</i> |

Hypothesis 1 proposed a positive relationship between perceived scarcity and perceived value. This result occurred in both the Mercedes Benz and Tag Heuer data sets, which means H₁ was accepted. This result was reasonably predictable, given the

wealth of studies conducted that showed this relationship to occur (e.g. Brehm 1966, Verhallen 1982, Lynn 1989, Verhallen and Robben 1995, Hwang et. al 2013), and mirrors the findings of Hwang, et al (2013) in the context of the luxury brands.

Hypothesis 2 proposed that perceived uniqueness has a positive relationship with perceived value. Across both data sets, this relationship was found to occur, leading to an acceptance of H₂. Once again this relationship is well researched, and adds further weight to the findings of Snyder & Fromkin (1997), Muniz & O'Guinn (2001), Tian, Bearden and Hunter (2001), Kirmani (2009), Bian and Forsythe (2011) and Kapferer (2012), within the context of limited editions and luxury brands.

Hypothesis 3 proposed that perceived quality has a positive relationship with perceived value. A number of studies showed that luxury products carry an expectation of quality (Zeithaml 1988, Phau and Prendergast 2000, Vigneron and Johnson 2004), yet little research had been done to test whether a perception of quality would lead to a positive influence on perceived value. Within this study, the relationship was shown to be positive in both data sets, which lead to an acceptance of this hypothesis, H₃.

Hypothesis 4 was to test the effect of perceived value on purchase intention and willingness to pay more respectively, as reflected in H_{4a} and H_{4b}. This was something lacking from the literature relevant to this topic. In both parts of this hypothesis, it was stated that perceived value would have a positive relationship with the respective outcomes, purchase intention and willingness to pay more. In the cases of both the Mercedes Benz and Tag Heuer data sets, the relationship was shown to be positive between perceived value and purchase intention, as well as perceived value and willingness to pay more. As such, both H_{4a} and H_{4b} were accepted.

Hypothesis 5 was the only hypothesis that proved inconsistent between the two data sets. The aim was to test the influence of status seeking over the relationships between perceived value, and purchase intention and willingness to pay more respectively, as reflected in H_{5a} and H_{5b}. Status seeking was therefore hypothesised to have a positive moderating influence over the respective relationships.

With respect to Perceived Value to Willingness to Pay More (H_{5b}) this appeared to occur in both cases, and therefore we can accept the hypotheses that Status Seeking does indeed strengthen the relationship to Willingness to Pay More in both studies. However in the case of Perceived Value to Purchase intention this only was shown in the case of Mercedes Benz, and not for Tag Heuer. Therefore a conclusion cannot be drawn that Status Seeking does strengthen the relationship between Perceived Value and Purchase Intention.

Discussion

Working through the model, there are a number of conclusions that we can draw which provides interesting insight into the way consumers of a limited edition luxury brand will behave.

Firstly, we can conclude that a strong perception that the offering is limited, a perception that it is of good quality, and a perception that the offering is unique from others on the market and will distinguish the consumer, will lead to consumers having placing a high value on that limited edition. The product may or may not be more available than other luxury brands, it may be of the same quality as lower price equivalent products on the market, and it may not be too distinguishable to another consumer from any other watches. But the perception here is the critical element, and by framing the product so that it is perceived by the consumer to be highly limited, of better quality than other offerings, and is a totally unique offering, will help to ensure the luxury offering is indeed seen to be highly valuable. This is consistent across both brands.

We can also conclude in the case of both brands that, given the offering is perceived to be of high value to the consumer, that they will be willing to purchase the offering, as well as being willing to pay more for it. This is independent from any predisposition towards desiring these status goods, however the reaction to purchase and be willing to go the extra financial mile to get it is plausibly so great purely because it is a limited edition offering. Brehm's Theory of Psychological Reactance (1966) is enlightening here – the fear of missing out on a good that is perceived to be

limited, and is highly valued by the consumer, will trigger that response within the consumer to be willing to pay more for it. Lynn's (1989) work on assumed expensiveness and assumed limitedness is also helpful in understanding how consumers behave in this instance.

However it is the inconsistency between findings for the Mercedes Benz study and the Tag Heuer study, the role of status seeking as a moderator, which proves most intriguing. From Hypothesis 4, we can conclude that consumers of both Mercedes Benz and Tag Heuer are willing to purchase and/or pay more to acquire a limited edition watch, following a high perception of value towards the offering. Yet status seeking only consistently improves the relationship between Perceived Value and a Willingness to Pay more. In a way, this makes perfect sense. Any consumer, having a high perception of value towards the limited edition, will have an intention to purchase it (see Muniz and O'Guinn 2001; Kirmani 2009). Yet only those consumers who seek status, or who aspire to a status group, will be willing to pay more for that limited edition.

Looking at the stimuli used within the study, this also may tell us something as to why it proved significant in the case of Mercedes Benz, and not Tag Heuer. Mercedes Benz is a luxury vehicle manufacturer, whilst Tag Heuer produces watches. Hence, Mercedes Benz producing a luxury watch is further away from its prototypical typing than Tag Heuer, and as such, it is easy to understand why such an offering from Mercedes carries more value than that from Tag Heuer. Brehm's Theory of Psychological Reactance (1966) is again helpful here in our understanding of why status seeking may be inconsistent as a moderator. It is plausible the respondents to the Tag Heuer questionnaire, knowing that Tag Heuer produces watches, would not have had as high a perception of scarcity or limitedness, as those respondents who answered the Mercedes Benz version of the questionnaire. Given Mercedes Benz is, predominantly, a luxury motor vehicle producer, the release of a watch would be seen as far more 'rare' than a company who produces watches, such as Tag Heuer. Hence, the feeling of reactance or the fear of missing out would have been higher amongst those who had the Mercedes Benz questionnaire than those who had the Tag Heuer questionnaire, and this has influenced the outcomes of the study.

Overall, the research has indicated that there are psychological cues which can determine a perception of value that is individual to each consumer, which will lead to an intention to purchase and a willingness to pay more, which indicates a difference to the way that consumption is traditionally modelled. Furthermore, the research has indicated that limited editions produced by luxury brands are more likely to be perceived as more valuable, and therefore be more likely to be purchased at a higher price by those who seek status.

CONTRIBUTIONS OF THE STUDY

Conceptual Contributions

This study has been founded on a number of different theoretical fields, having brought together reactance (Brehm 1966, Clee & Wicklund 1980, Braun and Wicklund), scarcity (Verhallen 1982, Lynn 1989, Verhallen and Robben 1995), need for uniqueness (Snyder and Fromkin 1997, Tian, Bearden and Hunter 2001, Bian and Forsythe 2011) status seeking (Muniz & O'Guinn 2001, Kirmani 2009, Han, Nunes and Drèze 2010, Kuksov and Xie 2012), alongside the growing study of willingness to pay more (Braun and Wicklund 1989, Hwang, et. al 2013, Loureiro and Araújo 2014, Ahmetoglu, Furnham and Fagan 2014), in the context of limited editions (Cartry 2003; Balachander & Stock 2009; He, et. al 2010; Amaldoss & Jain 2010). In doing so, it has shown that each of these factors, which originate from a number of different fields, have relevance in the way which consumers perceive, purchase, and determine a value for limited edition luxury offerings.

Firstly, looking at limited editions, this study closely follows the findings of Balachander and Stock (2009) and Amaldoss and Jain (2010) in finding that limited editions are more profitable when released in the context of luxury brands. Additionally, this study has shown that limited editions are more attractive to those consumers who seek status, when they are further away from the prototypical image of the luxury brand producing them. For example, in the case of this study, status seeking was found to be a consistently significant moderator for a limited edition Mercedes Benz watch, but was inconsistent for Tag Heuer, being closer to its prototypical schema.

With further reference to luxury brands, the empirical research so far into Willingness to Pay More had been predominantly focussed on lower end goods (Chezy Ofir 2004, Sigurdsson, Larsen and Gunnarsson 2011), and had proved insignificant. Given the findings of Balachander and Stock (2009), and Amaldoss and Jain (2010), and in the light of research by Simonson (1999) and Ahmetoglu, Furnham and Fagan (2014) which suggests retail end goods are highly unlikely to have any significant difference between product offerings, it is crucial to note that this research did prove to be significant when conducted in the context of luxury and limited editions. This research adds further weight to the findings that consumers demand for luxury brands can lead to a willingness to pay more, making this study comparable to that of Hwang, et. al (2013) and Loureiro & Araújo (2014).

Beyond limited editions, this study has also echoed other studies which are based on reactance theory, in finding there are a range of factors that can trigger a motivational state to acquire a limited offering (Brehm 1966; Brehm, et al 1966; Braun & Wicklund 1989; Clee & Wicklund 1980; Lynn 1989; Verhallen & Robben 1995). This study builds on all these previous, in finding perceptions of scarcity do lead to more extreme evaluations (Lynn 1989; Verhallen & Robben 1995), and that perceptions of quality and uniqueness also lead to increased perceptions of value.

Finally, with reference to status seeking consumption, this study has found that consumers' need for uniqueness does play a significant role in determining a perception of value. In doing so, it reinforces the findings in studies such as Snyder and Fromkin (1997), Tian, Bearden and Hunter (2001), Bian and Forsythe (2011), as well as studies into the role of perceptions as done by Kirmani (2009) and Ahmetoglu, Furnham and Fagan (2014). It has also shown that status seeking behaviour will lead to an increased willingness to pay more, which is an extension to the role of status seeking studies as done by Han, Nunes and Drèze (2010), and Kuksov and Xie (2012), amongst others.

Methodological Contributions

The predominant methodological contribution from this study is the introduction of a new model to marketing research. Whilst the role of status seeking as a moderator proves inconsistent across different brand stimuli, the model still proves robust in determining antecedents to a perception of value, and what behavioural intentions this perception of value may lead to. The study has shown that it is robust across different brand entities, and within contexts of new research into Limited Editions (eg. Cartry 2003; Balachander & Stock 2009; Gierl and Huettl 2010; He, et. al 2010) and longer standing research into Reactance Theory (eg. Brehm 1966; Clee & Wicklund 1980; Braun & Wicklund 1989; Verhallen & Robben 1995). The model could easily be adapted for testing within other product or brand studies, or utilising a different moderator.

In a broader context, this study has also utilised established scales from other studies (Kleiser & Mantel 1994; Eastman, et. al 2007; Wu, et. al 2012), which have remained reliable in the context of limited edition luxury brands. Hence, this study has shown these scales to be more robust and relevant to wider fields of research into consumer behaviour. Additionally, this study has ecological validity, not being drawn from a student sample at a university, but being conducted in a manner which spans a number of countries and age groups to ensure the resulting outcomes and contributions are somewhat more robust.

Managerial Contributions

This study contributes in a number of ways to the way in which limited editions should be managed in practice. Following the work by Amaldoss and Jain (2010) which showed how limited editions could be utilised to increase profit margins, and the work by Balachander and Stock (2009) which showed this finding relevant only to luxury brands, and not those of lower perceived status, this study found that there a number of critical factors for managers of luxury brands to keep in mind when designing, creating and positioning a limited edition.

Firstly, this study found that the perception of how scarce the limited edition actually is, the perception of quality, and the perception of how unique it is from its

competitors will determine its perception of value to the consumer. Luxury brands naturally carry with them a perception of quality (Phau & Prendergast 2000), and as such the exact level of quality will depend on the luxury brand itself, and perhaps consumer knowledge of, or familiarity with the luxury brand will play a critical role here.

The manipulation of perceived scarcity and perceived uniqueness was quite apparent in this study from looking at the Mercedes Benz study. The respondents perceived the Mercedes Benz watch as more scarce and more unique than the Tag Heuer watch simply because it was further away from the prototypical Mercedes Benz offering. When it comes to offering a limited edition, its perceptions of uniqueness and scarcity can be increased by offering a product outside the prototypical sphere of the luxury brand. For example, Tag Heuer offering a limited edition range of perfumes and colognes, or Ferrari producing shoes, could replicate the success of Mercedes Benz, as modelled in this research through increasing perceptions of uniqueness and scarcity.

Furthermore, the role of status seeking, as highlighted within the study, is something especially pertinent to managers in relation to product development and placement. When it comes to limited editions, this study suggests that status seeking will act to strengthen purchase intention for a brand extension, rather than a limited edition release of a product normally produced by the label. Such has already been discussed above, and so when it comes to offering these products, they should be positioned in such a way that those consumers who seek status will notice such offerings. Marketing the offerings in magazines or on websites that these consumers will spend their idle time, perhaps utilising the targeted marketing that is now available through social networks, or advertising highbrow fashion magazines, will help to more effectively target these status seeking consumers.

Perhaps more pertinently is the way in which these adverts are constructed. Here it would be prudent for the marketer to remember the findings from Lynn (1989) which suggests that hinting at scarcity or expensiveness is more effective in inciting that reactance that will drive consumers to be willing to pay more, than actually giving the

price or number produced. Simplicity would be key. Perhaps be 'scarce' with the information you give on the product itself, outside of where the consumer can hope to acquire it.

This then leads to the pricing of the offering itself. This study, along with those done by Balachander and Stock (2009) and Amaldoss and Jain (2010) have shown that the limited edition releases, within a luxury context, have an ability to allow for a more expensive price compared to non-limited luxury offerings. In the case of the brand extension limited editions, as suggested by this research, managers could play off the 'added value' generated by the combination of the luxury label, and the value of the product that luxury brand has been extended to include. This, of course, would then vary from brand to brand – but more could be charged for such offerings.

Limitations and Directions for Future Research

There are a number of limitations to this study. Firstly, it should be noted that this study, along with other similar studies such as Hwang, et al (2013) and Loureiro and Araújo (2014), is very recent. There has been very little research done into limited editions, and very little done with regard to this phenomenon within the context of perceptions. Whilst growth of the luxury market is predicted in Australia and worldwide, it remains to be seen whether the significance of this and other studies remains or is just a current trend.

Additionally, it should be noted that a significant proportion of the respondents in both studies are aged 34 years or younger (80.3% accumulative Mercedes Benz; 79.5% accumulative Tag Heuer). Again, one should be hesitant before generalising these results outside of this age bracket, and even then, over time, this group of respondents should be re-tested as perceptions have been shown to change with life context (Kirmani 2009).

Furthermore, this research was conducted within the context of status goods, and as such the findings will not be translatable into other goods such as FMCG's or lower end non-status goods. Likewise, the findings are not generalizable to luxury brands

who are not limited edition releases. The results within the study should be considered within this context.

There is room for more research to be done into the nature of limited edition releases and luxury consumption. With respect to this study, it would be prudent to test this research against other luxury brands, across a variety of different product types. An example would be testing other products such as wines, perfumes or bags.

With reference to perceptions, there are further factors that could be tested. One possible avenue could be to look at perceptions of the brand, or brand favourability, as a possible antecedent to perception of value. Brand knowledge could also act as a moderator over willingness to pay or purchase intention. Time perception, with reference to the aging population, could also be another avenue which could alter the perceived value of an offering.

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